

C. C. Kimball
General Attorney

7-196A044

 **Chessie System**

Law Department
Terminal Tower
P. O. Box 6419
Cleveland, Ohio 44101
216-867-2200
623-2416

JUL 15 1977

Date 7/15/77
Fee \$ 50

REGISTERED MAIL

CC Washington D. C.

July 11, 1977

Mr. H. G. Homme, Jr.
Acting Secretary
Interstate Commerce Commission
Washington, D. C. 20423

RECORDATION NO. 8886 Filed & Recorded

JUL 15 1977-12 20 PM

Dear Sir:

INTERSTATE COMMERCE COMMISSION

Enclosed are executed counterparts Nos. 4, 5 and 6 (of 6) of Agreement dated as of July 1, 1977, between The Chessie Corporation, P. O. Box 6419, Cleveland, Ohio 44101 (Bailor), and The Chesapeake and Ohio Railway Company, P. O. Box 6419, Cleveland, Ohio 44101 (Bailee).

The equipment covered by this Agreement consists of:

175 100-ton coil steel gondola cars, to
bear the Bailee's road numbers 307310 -
307484, inclusive.

A.A.R. Mechanical Designation: GBSR

The above equipment will be lettered "Chessie System", "C&O", or in some other appropriate manner, and will also be marked:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT
FILED UNDER THE INTERSTATE COMMERCE ACT, SECTION 20c"

Also enclosed is draft of The Chesapeake and Ohio Railway Company in the amount of \$50 representing the required recording fee.

Pursuant to the Commission's rules and regulations for the recordation of certain documents under Section 20c of the Interstate Commerce Act, you are hereby requested to duly file two of the enclosed counterparts for record in your office and to return the remaining one to me at my above address.

COMMERCIAL RECORDS
RECEIVED

JUL 18 1977

Very truly yours,


C. C. Kimball

CCK:nk
Enclosures

The Chesapeake and Ohio Railway Company

The Baltimore and Ohio Railroad Company

Interstate Commerce Commission
Washington, D.C. 20423

7/19/77

OFFICE OF THE SECRETARY

**C.C. Kimball, Gen. Atty.
Chessie System, Law Dept.
Terminal Tower, P.O. Box 6419
Cleveland, Ohio 44101**

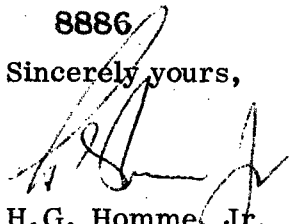
Dear

Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on **7/15/77** at **12:30pm**,
and assigned recordation number(s)

8886

Sincerely yours,


H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

**SE-30-T
(6/77)**

8885

EXECUTED IN 6 COUNTERPARTS
OF WHICH THIS IS NO. 6

RECORDED IN THE OFFICE OF THE SECRETARY OF STATE

JUL 18 1977 12 10 PM

U.S. DEPARTMENT OF STATE

AGREEMENT

Dated as of July 1, 1977

between

THE CHESSIE CORPORATION

and

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

Covering

175 100-Ton Coil Steel Gondola Cars

THIS AGREEMENT, dated as of July 1, 1977, by and between THE CHESSIE CORPORATION, a Delaware corporation (Manufacturer), and THE CHESAPEAKE AND OHIO RAILWAY COMPANY, a Virginia corporation (C&O);

W I T N E S S E T H :

The Manufacturer and C&O heretofore entered into a letter Agreement dated July 1, 1977 (a copy of which letter Agreement is made a part hereof by reference), whereunder the Manufacturer agreed to construct and deliver to C&O at Russell, Kentucky, and C&O agreed to accept and pay for the following railroad equipment (Cars):

175 100-ton coil steel gondola cars, to bear C&O
road numbers 307310 - 307484, inclusive
(Lot 61).

C&O intends to finance the purchase of the Cars from the Manufacturer pursuant to an Equipment Trust Agreement to be dated as of September 1, 1977, but deliveries of the Cars are scheduled to begin on or about August 30, 1977, and C&O will not have established said financing arrangement by that time nor be in position to take such deliveries thereunder. C&O represents that such financing arrangement will be established, however, on or before October 1, 1977. C&O, in order that it may use the Cars pending establishment of such financing arrangement, has arranged with the Manufacturer to give it temporary custody and possession of the Cars upon their completion, solely as a bailee of the Cars, and the Manufacturer is willing to do so upon the terms and conditions hereinafter stated.

In consideration of the premises, the Manufacturer hereby delivers to C&O and C&O hereby accepts from the Manufacturer the Cars as

of the date each of them is delivered to C&O at the delivery point, for the period terminating on the earlier of October 1, 1977, or the date of establishment of said financing arrangement. On such termination date, this Agreement shall automatically be cancelled and superseded without further action by or notice to any party concerned.

Title to the Cars shall remain in the Manufacturer and C&O's right and interest therein is and shall be solely that of possession, custody and use as bailee under this Agreement. Transfer of title shall be effected only at the time of delivery of bills of sale. C&O, without expense to the Manufacturer, will promptly cause this Agreement to be filed with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act. In addition, C&O shall do such other acts as may be required by law, or reasonably requested by the Manufacturer, for the protection of the Manufacturer's title to and interest in the Cars.

C&O agrees that it will permit no liens of any kind to attach to the Cars; and that it will

(a) indemnify and save harmless the Manufacturer from any and all claims, expenses or liabilities of whatsoever kind, and

(b) pay any and all taxes, fines, charges and penalties that may accrue or be assessed or imposed upon the Cars or the Manufacturer, because of the Manufacturer's ownership or because of the use, operation, management or handling of the Cars by C&O during the term of this Agreement. C&O's obligations contained in this paragraph shall survive the termination of this Agreement.

C&O will, at its own expense, keep and maintain the Cars in good order and running condition and will at its option repair or replace or promptly pay to Manufacturer the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term of this Agreement.

Prior to the delivery of each Car to C&O under this Agreement it will be numbered with a road number as hereinbefore indicated, and there shall be plainly, distinctly, permanently and conspicuously stencilled upon each side of each Car, in contemplation of said financing arrangement, the following legend in letters not less than one inch in height:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT
FILED UNDER THE INTERSTATE COMMERCE ACT, SECTION 20C"

C&O hereby agrees to indemnify the Manufacturer against any liability, loss or expense incurred by it as a result of the placing of the aforementioned markings on the Cars.

In case, during the continuance of this Agreement, such markings shall at any time be removed, defaced or destroyed on any Cars, C&O shall immediately cause the same to be restored or replaced.

All or any of the rights, benefits or advantages of the Manufacturer, including the right to receive the purchase price of the Cars as provided in the letter Agreement, may be assigned by the Manufacturer and reassigned by any assignee at any time or from time to time, provided, however, that no such assignment shall subject any such assignee to any of the Manufacturer's warranties, indemnities or any other obligations contained in this Agreement or in the letter Agreement relating to the

Cars. In the event the Manufacturer assigns its rights to receive the payments herein and/or under the letter Agreement, and C&O receives written notice thereof from the Manufacturer, together with a counterpart of such assignment stating the identity and the post office address of the assignee, all payments thereafter to be made by C&O under this Agreement shall, to the extent so assigned, be made to the assignee against proper receipt therefor in form satisfactory to C&O.

In the event of any assignment by the Manufacturer of its rights to receive any payments under this Agreement or under the letter Agreement, the rights of such assignee to such payments as may be assigned together with any other rights hereunder which can be and are so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Manufacturer in respect to the Cars, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to C&O by the Manufacturer. Any and all such obligations, howsoever arising, shall be and remain enforceable by C&O, its successors and assigns only against the Manufacturer and its successors and assigns (other than assignees as such of rights, benefits or advantages assigned pursuant to this Agreement).

C&O agrees with the Manufacturer that the execution by the Manufacturer of this Agreement or the delivery by the Manufacturer to C&O of the Cars, as contemplated by this Agreement, shall not relieve C&O of its obligation to accept, take and pay for the Cars in accordance with the terms of the letter Agreement, or impair any of the Manufacturer's

rights under the letter Agreement.

Attest:

THE CHESSIE CORPORATION


Patricia J. Dunady
Assistant Secretary

By *L.C. Fright*
Assistant Vice-President
and Treasurer

Attest:

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

Patricia J. Dunady
Assistant Secretary

By *L.C. Fright*
Assistant Vice-President
and Treasurer

APPROVED AS TO FORM

C.C. Kimball

GENERAL ATTORNEY

7/11/77

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

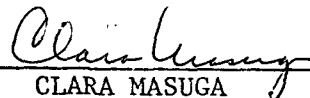
On this 1st day of July, 1977, before me personally appeared L. C. ROIG, JR., to me personally known, who, being by me duly sworn, says that he is Assistant Vice-President and Treasurer of THE CHESSIE CORPORATION, that one of the seals affixed to the foregoing is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


CLARA MASUGA

Notary Public, Cuyahoga County, Ohio
My Commission Expires April 21, 1979

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

On this 1st day of July, 1977, before me personally appeared L. C. ROIG, JR., to me personally known, who, being by me duly sworn, says that he is Assistant Vice-President and Treasurer of THE CHESAPEAKE AND OHIO RAILWAY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


CLARA MASUGA

Notary Public, Cuyahoga County, Ohio
My Commission Expires April 21, 1979